# SPOUSAL COORDINATION OF BENEFITS POLICY

This policy became effective with the State of Delaware on January 1, 1993 for a spouse who is eligible for health care coverage through his or her own employer. This section describes how this policy effects payment of benefits for spouses. In order to certify that an Employee's spouse is or is not covered by a plan where the spouse works, all Employees who enroll for Employee & Spouse or Family coverage MUST complete the Spousal Coordination of Benefits Policy Form to accompany submission of the application.

***IT IS THE EMPLOYEE'S RESPONSIBILITY TO UPDATE SPOUSAL INFORMATION WITHIN 30 DAYS AFTER HIS OR HER SPOUSE LOSES OR GAINS COVERAGE.***

**How payment of Benefits for Spouses is Affected**

The following describes how the policy effects the benefits payment for spouses:

- If the Employee's spouse **is eligible for and not enrolled** in the health care plan offered by his or her own employer, the State will pay 20% of allowable charges for services covered under the State's health care plan.

- If the Employee's spouse **is eligible for and enrolled** in the health care plan offered by his or her own employer, the State will pay for benefits provided under the State's health care plan after the spouse's health care plan pays. Payment from both plans combined will not exceed 100% of covered charges.

- If the Employee's spouse **is not eligible for and, therefore, is not enrolled** in the health care plan where he or she works or any other health care plan, the State will pay for benefits as provided under the Employee's selected State health care plan.

How to Determine When Spouses Should be Enrolled in Their Own Employer's Plan

Generally, the Employee's Spouse does not need to be enrolled in the health care plan where he or she works if ONE of the following reasons apply:

- The Employee's spouse does not work full-time; or

- The Employee's spouse is not eligible for benefits under the employer's health care plan because the spouse has not satisfied his or her employer's requirements as to the number of hours worked; or

- The Employee's spouse's medical history does not meet the underwriting requirements of the employer's health care plan; or

- The Employee's spouse's employer requires a contribution of more than 50% of the premium for the lowest benefit plan available through his or her own employer; or

- The Employee's spouse's employer does not offer medical coverage.

Examples to Determine Enrollment in Spouse's Employer's Plan

The chart that follows illustrates examples that will help you determine when a spouse should be enrolled in his or her own employer's plan. In the examples described below, it is assumed that there is health care coverage offered through the spouse's own employer.

| Situation | Spouse Should Obtain Available Coverage | Not Necessary for Spouse to Obtain Available Coverage |
|---|---|---|
| Spouse is employed full-time and is eligible for coverage. | X | |
| Spouse is in active military duty. | X | |
| Spouse is self-employed and, as sole proprietor, he or she would have to contributed 100% of health care cost. | | X |
| Spouse is a partner and company requires all full-time employees to contribute 50% or less of health care costs. | X | |
| Spouse is a partner and company requires all full-time employees to contribute more than 50% of health care cost. | | X |
| Spouse is an owner or part owner of a corporation and employer requires all full-time employees to contribute 50%or less of health care costs. | X | |
| Spouse is a partner and company requires all full-time employees to contribute more than 50% of health care costs. | | X |
| Spouse is retired from an employer other Than the State, does not have retiree health care coverage, and employed full-time with another employer who offers coverage for which the spouse must contribute 50% or less. | X | |
| Spouse is retired from an employer other than the State, does not have retiree health care coverage, and is employed full-time | | X |

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| with another employer who offered coverage for which the spouse must contributed more than 50%. | | |
| Spouse is retired from an employer (including the State), and the spouse is covered under the retiree health care coverage, and is employed full-time with another employer. | | X |
| Spouse applies for coverage through employer and is denied coverage due to poor health. | | X |
| Spouse applies for coverage through employer, is approved, but there is a pre-existing condition waiting period. (See applicable section below). | X | |
| Spouse's employer only offers an HMO program and the spouse does not reside in the HMO program services area. (See applicable section below). | | X |

**How to Determine if a Spouse Works Full-time**

Based on the State's rule regarding full-time status, *Full-time* means that an individual works 30 or more hours per week.

However, if a spouse works less than the full-time hours required by his or her own employer **and** such spouse receives less than the full-time contribution towards health care coverage, then the spouse is considered part-time even though he or she works more than the 30 hours per week required by the State. Under these circumstances, the spouse is not required to obtain coverage through his or her employer.

For example:
A State employee's spouse works for an employer who requires 40 hours per week to be considered a full-time employee and who pays $200 contribution towards health care coverage for each full-time employee. The spouse only works 32 hours per week and the spouse's employer contributes $160 towards his or her health care plan contribution. Since the spouse works less than the required number of hours and receives less than the full-time contribution, the spouse is considered part-time.

**How to Determine the 50% Contribution Requirement**

When determining contributions made by the spouse's employer to his or her health care plan, all flexible benefit dollars and/or credits available to the spouse are counted as contributions provided by the spouse's employer. If

these contributions are less than 50% of the premium for the lowest benefit plan available through the spouse's employer, it is not necessary for the spouse to enroll in his or her own employer's plan.

**What Happens When There is a Preexisting Condition Waiting Period**

The spouse's employer's plan may have an eligibility waiting period (a time period when the spouse is not eligible to enroll for benefits) or a contribution waiting period (a time period when the spouse is responsible for the cost of the health care plan). In either case, benefits will be provided under the Employee's selected State health care plan until the waiting period has been satisfied. Once the spouse has satisfied the eligibility and/or contribution waiting period, all benefits will be paid according the *Coordination of Benefits* section, unless the spouse fails to enroll under his or her employer's plan when he or she is eligible. If the spouse fails to enroll under his or her employer's plans, then benefits will be paid at 20% of the allowable charge as specified in the section, *Payment of Benefits for Spouses*.

**What Happens When There is no Open Enrollment Period for the Spouse**

Sometimes a spouse may be unable to enroll in his or her own employer's plan because there will be no Open Enrollment Period until after January 1, 1993. In such cases, benefits will be provided under the Employee's selected State health care plan until the next Open Enrollment Period for the spouse's employer plan, provided that such Open Enrollment Period occurs prior to or on June 30, 1993.

If the spouse is not enrolled in his or her own employer's plan by June 30, 1993, the State will pay benefits at 20% of the allowable charges for services covered under the Employee's selected State health care plan, until such time that the spouse obtains employer coverage.

**What Happens When the Spouse's Employer Only Offers an HMO Program**

Some employers may only offer an HMO program and the spouse may live outside of the HMO program service area. In such instances, it is not necessary that the spouse enroll under his or her own employer's plan. However, the State will evaluate the spouse's enrollment under the employer's plan on an annual basis, beginning January 1, 1994. If, in the judgment of the State, the spouse's employer is offered only an HMO program to avoid covering spouses of State employee, then the State reserves the right to pay benefits at 20% of the allowable charge for services covered under the Employee's selected State health care plan.

NOTE:
Benefits for dependent children are paid according to the provisions described in Coordination of Benefits when dependent children are covered under one of the State's health care plan as well as another health care plan.

**Policy Effective Date 1/1/93**